

**REPORT**  
**OF**  
**The Anti-Corruption Enquiry Commission**



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GOVERNMENT OF HYDERABAD  
HOME DEPARTMENT

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*Subject.*—Report of the Anti-Corruption Enquiry Commission—Government orders on.

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G.O. No. SPL/XB/25/53.

*Dated* 3-9-1954.

Government place on record their appreciation of the work of the Anti-Corruption Enquiry Commission who have gone into all aspects of the question, in great detail, and wish to convey their thanks to the Chairman, Members and the Secretary for the detailed and thorough investigation and the very instructive report submitted by them.



CHANDRAKANT RAO GODSAY,  
*Secretary.*

सत्यमेव जयते

## INTRODUCTION

In exercise of the powers conferred by section 3 of the Commissions of Enquiry Act, 1952 (Act LX of 1952) the Rajpramukh was pleased to appoint an Anti-Corruption Enquiry Commission comprising of the following (*vide* Appendix I.—Home Department Notification No. : SPL/XB/25/53 dated 12th June, 1953) :—

1. Shri Ramchandra. S. Naik .. *Chairman.*
2. Nawab Saeed Jung Bahadur .. *Member.*
3. Shri Pampan Gowda .. *Member.*
4. Lieut. Col. K. N. Waghray .. *Member.*
5. Shri S. N. Reddy .. *Member.*
6. Shri Nizamuddin Ahmed .. *Member-Secretary.*

The terms of reference were :—

“ to examine the extent of corruption and other malpractices prevailing in the Services in the State and to make proposals for effectively putting down such corruption and malpractices ”.

Besides the above terms of reference, the Commission was also asked through D.O. letter No. SPL/XB/25/53 dated 12th June, 1953 (*vide* Appendix II) to—

- (1) examine the need for any special legislation in this behalf ;
- (2) draft a Bill therefor, if considered necessary ;
- (3) suggest the Rules thereunder including the Rules of Procedure ;
- (4) consider the question of continuance of the agency for investigation and the Tribunal now set up to deal with such cases and suggest any alternative or modified agency, tribunal, court, etc ;
- (5) consider the tightening up of Rules regarding Conduct of Public Servants, the changes in the Law of Evidence, Code of Criminal Procedure, etc ; and
- (6) generally make such other recommendations as they may consider necessary to accomplish the object in view.

The Commission was asked to submit its report by the 15th of September 1953, but later, having regard to the comprehensive nature of the enquiry, the period was extended by another two months at the suggestion of the Commission. The Commission is now submitting its report accordingly.



# CHAPTER I

## PROCEDURE

At its first sitting on the 22nd June 1953 the Commission drew up a questionnaire (*vide* Appendix III) and circulated it to—

(1) all political and non-political organisations and institutions in the State ;

(2) all representatives of Hyderabad in the House of the People, the Council of States and the State Legislative Assembly, all Municipal Councillors and Chairmen of District Municipal Committees ;

(3) prominent citizens of the State ;

(4) senior Government officials ; and

(5) retired officials.

Copies of the questionnaire were also made available to the Collectors of districts for distribution among people interested in the question.

Further, the questionnaire was published in the local press and it was notified that all those interested could obtain copies of the questionnaire from the office of the Commission.

In all 1548 copies of the questionnaire were issued.

The Commission also issued a circular letter to all Secretaries to Government and Heads of Departments asking for information regarding prevalence of malpractices and corruption and action taken by the Departments to check the same (*vide* Appendix IV).

The Commission also studied certain files and statements obtained from the Government.

The Commission in particular discussed with the Deputy Inspector-General of Police I/C X-Branch and the Chairman of the Public Servants Tribunal of Inquiry, the working of their organisations.

In all, the Commission held 78 sittings. One of the Members of the Commission, Lieut. Col. K. N. Waghray, could not attend the meetings of the Commission from 15th July, 1953 to 30th September, 1953 as he had proceeded on professional duties abroad.

The Commission examined 73 witnesses and had informal talks with several persons of importance.

112 replies were received to the questionnaire. In addition, 49 complaints or reports of individual cases were received. As it was not within the terms of reference of the Commission to deal with individual cases of complaints, these were filed.

Although the number of persons who sent in their replies to the questionnaire is not large, yet the representative character of the people responding, and the several requests for copies of the questionnaire by the public are a sufficiently encouraging testimony to the fact that all sections of the people of the State are interested in the subject and have welcomed the appointment of the Commission as a positive evidence of the will of the Government to firmly deal with the evil of corruption and malpractices.

Among those who replied to the questionnaire and appeared before the Commission to tender evidence were ex-Ministers, retired High Court Judges, retired Chief Engineers, Members of the House of the People and the Council of States, Members of the State Legislature, the Mayor of Hyderabad, representatives of various organisations, and prominent citizens, businessmen and responsible officials of the State.

Lists of those who replied to the questionnaire and those who gave evidence before the Commission are appended herewith (*vide* Appendix V—A and B).

## CHAPTER II

### SUMMARY OF EVIDENCE

An analysis of the replies to the questionnaire and the evidence recorded shows :—

While corruption has existed for long past, it has <sup>1. Extent.</sup> lately become more widespread and is still on the increase. We quote below an influential member of a responsible organisation :—

“ It has already assumed alarming proportions both in quantum and also from the point of view of social evil sapping the very foundation of a healthy social order which we intend to build in the country. If the present state of affairs is allowed to continue unchecked, there is hardly any doubt that all our efforts at building up a new and strong India will ever remain an unfulfilled dream. There is absolutely no time to lose and no room to feel complacent. The virus has already developed and spread to such an extent that it will certainly not be found amenable to anything short of very drastic measures.”

This is typical of the views expressed by an overwhelming majority.

Some attribute this increase not to any rise in the degree of cupidity, but to the enlarged scope and greater opportunities afforded by the multiplication of Government Departments, particularly of those dealing with controls.

A few hold the view that while there may have been some increase in the extent of corruption, it is being talked about much more now because of the greater freedom of expression and rising public consciousness.

Only one solitary individual (a responsible Government official) holds the view that “ in general, corruption may be said to have waned in Hyderabad State after the Police Action and the consequent general

improvement of the standards of services. Nevertheless, the traces of the old regime wherein such illegal practices were deliberately overlooked may still be found hovering stealthily in some of the Government Departments ”

Another high official, who was particularly requested to appear before the Commission, declined, saying, “I am unable to say anything in the matter under enquiry, as such, I do not think any useful purpose would be served by meeting the Commission”.

## II. Apportionment of responsibility.

As for the apportionment of responsibility for the existing state of affairs between the public and the services, the majority have expressed the view that the services are more to blame and that very often the public is obliged to resort to these evil practices just to get their business through in time. In the words of an important witness, “ bribes are given not to get any favour from any officer but really to stop him from creating unnecessary trouble and interference in the day-to-day business. and the officials are so bold now that they think it is part of their remuneration to accept such money ”

Some have, on the other hand, emphatically stated that the public even goes out of its way to lure the services to gain its nefarious ends.

## III. Causes.

The increase in the extent of corruption has been attributed to—

(i) the effects of various new measures introduced in administration and the general fall in the moral standards both in administration and in the general public during World War II;

(ii) the continuance of war-time controls such as those on food, textiles, etc., until recently ;

(iii) the practice of collection of various types of funds from the public through Government officials or their wives, initiated originally for war purposes and continued later ;

(iv) the disturbed conditions in the State immediately preceding and following Police Action ;

(v) the sudden large-scale importation of outside officers and, in a large majority, their lack of sympathy



and understanding of local people and conditions, combined with a "superiority complex" and an intense desire to "make hay while the sun shines";

(vi) the sudden change from an autocratic-cum-bureaucratic regime to a democratic set-up ;

(vii) the continued rise in the cost of living coupled with large-scale unemployment ;

(viii) the appointment and accelerated promotion, in many cases, of young and inexperienced officials to responsible posts ;

(ix) delay in disposal of cases ;

(x) the general inaccessibility of officials ; and

(xi) the frequent tours, especially of Ministers, and 'sarbarahi' thereat.

Tours of officers including those of Ministers have been stated to have become, of late, too frequent, hurried and least effective. Lavish 'sarbarahi' on these occasions has often been said to lead to corruption, as the heavy expenses incurred on that account by local officials are ultimately made good by unlawful collections. It is also alleged that the frequent tours of Ministers, in particular, cause dislocation of routine work.

It has been further stated that the advent of responsible Government has not so far improved the situation ; and that, if anything, the situation has in some manner even deteriorated on account of ( i ) undue interference by various political parties in the day-to-day administration of the State, and (ii) want of administrative experience at the level of the Ministry.

Lastly all witnesses state that there has been a general lowering of the moral standards of the people all round (including the services), and nepotism, favouritism, sectarianism and communalism have become so prevalent that corruption and malpractices are freely indulged in, placing the interests of the individual above those of the State.

We give below, in brief, the views expressed in regard to some of the Departments of Government:—

(1) *Revenue Department*.—It is stated that village officials, viz., Patels and Patwaries, on whom the basic

structure of administration largely rests, are low paid, and hold their posts by right of inheritance and enjoy a position of influence in the village. Having to deal with uneducated and ignorant ryots, they seldom fail to take full advantage of their position.

Similarly, the Revenue Inspector, on whose reports the Tahsildar has largely to depend, is said seldom to lose any opportunity of making the best of his position in his own sphere.

The Peshkar holds a pivotal position in the Tahsil Office and, having his say in every matter connected with Revenue administration, is said not to miss an opportunity either.

Several witnesses have pointed out that the enforcement of the new Tenancy Laws has become an additional source of income to Revenue officials, particularly in respect of issue of Certificates to protected tenants, etc.

In short, the consensus of opinion has been that no paper moves and no order is issued unless palms are greased at every stage.

Tahsildars have been proverbially known in the past to be corrupt. It has been brought to our notice that a number of them even now continue to maintain the old traditions.

Collectors and Deputy Collectors, although not stated directly to be corrupt, have often been held responsible for laxity, ineffective supervision and lack of experience. At the higher levels in the department it is said that while corruption is not obvious, favouritism and nepotism prevail.

(2) *Excise Department*: It is alleged that right from the Jawan to the Inspector all are involved in corruption. Extraction of a regular 'mamool' to the extent of one 'Baithak' a year from the Excise contractor is reported to be a common practice. Allotment of sites, allocation of new shops, allotment and marking of trees for tapping and connivance at illicit tapping and distillation have also been described as fruitful sources of illegal gain.

Again, in the Gazetted cadre below the level of Deputy Commissioner a fairly large number of officials has been described to be corrupt.

It has been stated that attraction to service people, in this Department, for obtaining a transfer to the more important Excise areas (the Telengana districts) is so great that they are prepared to bribe to get themselves transferred to these areas.

(3) *Forest Department*: Conditions in the Forest Department have been described as bad as in the Excise Department. From the chowkidar (Forest Guard) to the District Forest Officer everyone has been reported to enjoy an income many times more than his pay. The illegal gains are said to be derived from—

- (i) the notorious three-rupee-per-plough 'nagar-patti' ;
- (ii) permitting grazing of cattle in prohibited areas ;
- (iii) allowing cutting of timber and fuel from reserved areas ;
- (iv) allowing illicit felling of trees by contractors ; and
- (v) connivance at poaching in and out of season.

It has been pointed out that corruption in these Departments (Revenue, Excise and Forest) not only leads to harassment of the public, but also to a substantial loss in Government revenues.

(4) *Public Works Department*: This Department has come in for the worst criticism. In the expression of their intense feelings some have even gone to the extent of calling it a "Public Waste Department" and a "Public Wealth Drain". It has also been pointed out that no class of officials is immune from this evil. There are, however, honourable exceptions.

It has been stated by a gentleman of high professional standing that corruption is costing the Government at least 10% more on works. Some have put this loss even at a much higher figure. The methods generally adopted are said to be—

- (i) false classification ;
- (ii) false measurement ;

- (iii) favouritism in the sanction of tenders ;
- (iv) revision of estimates on various pretexts ;
- (v) irregular payments at various stages of execution of work either to avoid lapse of Government grant or to favour the contractor even before the execution of the piece of work paid for ;
- (vi) the practice of arbitrary enhancement of rates over an out-dated District Schedule of Rates ; and
- (vii) delay in finalising measurements and passing bills.

(5) *Police Department* : This Department has been stated to equally excel in this evil with the further addition, in a large number of cases, of coercion, torture and extortion whenever opportunities present themselves. The evil is said to prevail in this Department right from the Constable to the Circle Inspector. The Deputy Superintendents of Police, however, have been generally reputed as not being directly involved. It is, however, said that instances are not altogether wanting of District Superintendents of Police in their capacity of Secretary to the Regional Transport Authority accepting illegal gratification through Motor Vehicle Inspectors.

(6) *Supply Department*:—The Supply Department has been described to have been till recently a fertile field for corruption on account of controls, licences, levy, etc. Though a good deal of the activities of this Department has now been reduced, control over the erection of mills, granting of milling contracts, collection of levy, issue of import and export licences and movement of grains still continue to provide large scope for corruption and malpractices.

(7) *Central Stores Purchase Department* :—This Department has come in for a good deal of criticism, particularly in respect of supply of defective materials, enhancement of tender rates and favouritism in the selection of suppliers.

(8) *Jagir Administration Department* :—It has been freely alleged that in payment of commutation amounts and arrears to Jagirdars a percentage is almost invariably demanded and the amounts changing hands are stated to be very large.

(9) *Local Government Department* :—It has been said of this Department that at no stage does anything seem

to move without the weight of money behind; and even with that weight things move too slow.

(10) *Health Department* :—Even the Health Department has come in for criticism, especially in respect of discrimination shown at times in the admission of patients and in demanding fees while attending on patients in Government hospitals, and in some cases by selling articles of Government Medical Stores.

(11) *Education Department* :— Corruption is stated to prevail in this Department in respect of appointments and transfers [of primary school teachers and the selection of text-books.

(12) *Judicial Department* :—The ministerial staff in the Judicial Department has been stated to be in the habit of wrongfully demanding money from concerned parties for issue of processes and in matters connected with the execution of decrees.

(13) *Other Departments* :—It has been stated that there is some degree of corruption, varying with nature of the work the services are called upon to do, in all other departments of Government without exception. If some departments have not come in for special criticism it has been stated that it is not because of any higher standard of probity prevailing therein, but because of the fact that the opportunities for corruption in those departments are either rare or do not exist.

Most of the witnesses have expressed their lack of confidence in the X-Branch, and hold the view that the existing machinery to deal with corruption and malpractices is inadequate, and suggest the creation of a high-power organisation. A few are of the opinion that the present machinery, if adequately reinforced or reorganised, would serve the purpose.

IV. Existing Anti-Corruption Measures.

A large majority hold the view that the existing rules and laws of Government are sufficient to check the evil, but have failed to produce the desired effect for want of rigorous implementation. A few, however, suggest modifications in the Laws of Evidence and Procedure to speed up enquiry.

Quite a number of non-official witnesses have said that they never hitherto knew of the existence of the present machinery.

On one point all are unanimous that, whatever the machinery employed to check corruption, the real need is for firmness on the part of Government in dealing with such cases.



## CHAPTER III

### ANTI-CORRUPTION MEASURES

About 30 years ago prevalence of corruption in the administration appears to have attracted the attention of the Government and a 'Firman' of H.E.H. the Nizam for its eradication was issued in 1342 H. (1923 A.D.), vide Appendix VI. However, no concerted action was taken to implement the 'Firman', although individual efforts were made by various departments to draw up Conduct Rules. In 1347 F. (1938 A.D.), the High Court of Judicature appointed a Committee to enquire into the prevalence of corruption in the Judicial Department.

I. Past History.

Some 16 years after the issue of the 'Firman' Government set up a Committee consisting of officials and non-officials to suggest ways and means of eradicating corruption. On the findings of the Committee the Executive Council submitted an 'Arzdashth' to H.E.H. the Nizam in 1362 H. (1943 A.D.). As a result, an Anti-Corruption Department was set up in 1943, and a retired Assistant Director of the Intelligence Department of the Government of India was appointed 'Officer on Special Duty'. This department worked directly under the President of the Executive Council. The procedure adopted was that cases of corruption were referred by Ministers to the Special Officer with the President's sanction. The Special Officer had to keep the President informed of the progress of enquiry and the President had the power *suo moto* or on request of the concerned Minister to withdraw or drop a case. The department remained in existence till the close of 1354 F. (1945 A.D.) when it was merged with the C.I.D. and brought under the control of the Deputy Inspector-General, C.I.D. This move was primarily directed to check corruption in the Supply Department for which already a Special Tribunal had been set up to try cases of corruption in that department. With the merger of the Anti-Corruption Department with the C.I.D., the procedure of work was also amended. It was laid down that all complaints were first to be examined by the Taluqdars (Collectors) and the Subedars (Revenue Commissioners), and if a *prima*

*facie* case was made out, the complaints were to be forwarded to the Deputy Inspector-General, C.I.D., for further investigation. The D.I.G., C.I.D., was, in turn, empowered to seek Government sanction for formal investigation if sufficient grounds existed ; otherwise he was to place the facts before the Government. This state of affairs continued till September, 1949.

In May 1949 the Inspector-General of Police submitted proposals for the creation of a separate Anti-Corruption Branch under him to enquire into numerous allegations of corruption in the Police and other departments, as the District Police was preoccupied with law and order and could not investigate corruption cases without undue delay. It was also pointed out that the public was not fully satisfied with the enquiries made in the districts. The proposals were, however, shelved for want of suitable personnel.

On the repeated representations of the Inspector-General of Police it was decided in January 1951 that an Anti-Corruption Department be organised. This was done by merging the Top Secret Branch of the C.I.D., with the Anti-Corruption Branch. This constitutes the present X-Branch of the C.I.D.

**II. Present Measures.**

The following provisions and measures exist at present to deal with corruption and malpractices in the services :—

- (1) The Government Servants' Conduct Rules ;
- (2) The Hyderabad Civil Services (Classification, Control & Appeal) Rules ;
- (3) The various Departmental Rules and Regulations issued from time to time ;
- (4) Sections 161, 165 and 165-A of the Indian Penal Code ;
- (5) The Prevention of Corruption Act, 1947 (Central Act) ;
- (6) The Hyderabad Public Servants (Tribunal of Inquiry) Act, 1950 ;
- (7) The system of Departmental Enquiries ;
- (8) The X-Branch of the C.I.D. ;
- (9) The Public Servants' Tribunal of Inquiry.



Of these, (1) to (6) are directive and punitive, while (7), (8) and (9) deal with regular cases of corruption and malpractices brought to the notice of the administration.

Further, the Public Service Commission is consulted on all disciplinary matters concerning the services in accordance with Article 320 (1) (c) of the Constitution of India.

Cases of corruption concerning Government servants drawing salaries below Rs. 150 are generally dealt with departmentally and of those drawing Rs. 150 or over are referred to the Tribunal of Inquiry. The Public Service Commission is consulted in cases of gazetted officers. We have been informed that—

“ those cases, where the Government are satisfied that a *prima facie* case has been established against an officer and where taking down of lengthy statements, etc., and examining and cross-examining of witnesses are not necessary, are referred to the Public Service Commission after holding a departmental enquiry and if, on findings, the punishment proposed to be given to the officer is more than a censure. On the other hand, when a case has been made out against an officer, and where it is necessary to properly assess the charges against the officer and to examine in detail a large number of witnesses and documents, it is referred to the Tribunal of Inquiry. When this is done no prosecution is being lodged in a criminal court. . . . There are, however, no hard and fast rules on the subject of sending a particular type of case to the Tribunal or to the Public Service Commission. Further, under section 10 of the Tribunal of Inquiry Act, it is not necessary to consult the Public Service Commission ”.

We are now given to understand, however, that all Tribunal cases are hereafter to be referred to the Public Service Commission.

*Service Rules* :—After a detailed study of the Government Servants' Conduct Rules, we are of the opinion that some of them are so impracticable that, in actual practice, they seem to defeat their own ends, with the result that

IV Observations.

their non-observance appears to have become more a rule than an exception. The same remarks apply to the various rules and regulations made from time to time by the Government departments to ensure efficiency and purity in the services. Non-observance of Government rules and regulations creates an unhealthy effect on administrative discipline with its attendant consequences leading to malpractices and corruption. Therefore, it would, in our opinion, be appropriate if an overall revision of these rules and regulations is taken on hand by the Government.

*Penal Laws* : Provisions in the Indian Penal Code and the Prevention of Corruption Act (Central) as amended, if fully implemented, are, in our view, sufficient to meet the situation.

*X-Branch, C.I.D.* : As stated elsewhere in the Report, the X-Branch does not enjoy the confidence of the public. Cases have been reported where the personnel thereof have themselves been amenable to influences. It is felt the X-Branch, as at present constituted, has not proved sufficiently effective. This may be due either to inadequacy of staff, wrong choice of personnel or too many restrictions on the work of the Branch. To begin with, the X-Branch is not in practice allowed to take up cases directly despite the fact that offences have been made cognizable. It has to await reference from the Heads of Departments or the Government. In referring cases to the X-Branch un-understandable discrimination appears to have been made in some cases. In a very recent case, despite specific charges of bribery against an official, the X-Branch was not asked to investigate merely because of a pending departmental enquiry, and, that too, on other charges of a similar nature against the said official. Similarly, we note from statements received by us that no less than 11 cases had to be dropped by the X-Branch under Government orders for reasons not made known to us despite our request.

It has been explained to us that one of the main handicaps the X-Branch suffers from is the want of prompt co-operation from Heads of Departments. It has been stated that the departments do not refer their cases promptly to the Branch and very often cases are received so late that investigation becomes difficult.

It is further said that papers are not readily made available to it and it has very often to wait for formal permission from superior departmental authority. At any rate, we are satisfied that the investigations of this Branch take an inordinately long time.

*Tribunal of Inquiry.*—Obviously the Tribunal was created to be more or less a centralised agency for departmental enquiry by a judicial officer to accelerate such enquiries, and, at the same time, to give the persons enquired against satisfaction that their cases have been enquired into by an officer unbiassed by departmental considerations. But, evidently, it has become much more of a regular “judicial court” than an “administrative tribunal.”

Perhaps the long time taken by the Tribunal in coming to conclusions is mainly due to the above factor; though, it has been said that the single-Member Tribunal, entrusted with the additional work of the Industrial Tribunal, cannot devote itself solely to this work. The Commission feels that the effectiveness of decisions in cases of corruption and malpractices is lost by such time-lag. The Commission would like to stress that in dealing with cases of corruption and malpractices action must be both speedy and deterrent to produce the desired effect.

We would now refer to a few cases where irregularities have defeated the very purpose of these organisations; for instance,—

(i) Cases have been brought to our notice where after investigation by the X-Branch they have not been referred to the Tribunal and it is not known whether any other action has been taken thereon.

(ii) In some cases even after elaborate enquiry by the Tribunal there appears to have been considerable delay on the part of the Government in taking decisions, where in our view quick and immediate action was called for.

(iii) In one case referred to the Tribunal in the usual course, when the Tribunal desired assistance of the X-Branch and departmental experts and other relative files, these were denied, and the Tribunal was directed to give its findings on mere files. The Com-

mission feels that once a case is referred to the Tribunal it should be left free to use its own discretion in the conduct of the case and receive unstinted co-operation.

(iv) In another case where the Tribunal was dealing with two officials involved in the same case, one was kept under suspension and the other was kept on duty. Such discrimination, particularly when exercised in cases of corruption and malpractices, would amount to tolerating the evil.

(v) Cases have also come to our notice, on the other hand, where the Tribunal has recommended alternative punishments ranging from dismissal to stoppage of increments. We feel that the Tribunal could be more definite in its recommendations.

(vi) It has further come to our notice that cases which ordinarily should have been referred to a court of law have either been departmentally dealt with or sent to the Tribunal. We consider that such cases should be tried in open courts and receive full publicity. In fact, we feel that all cases of corruption and malpractices should receive as wide a publicity as possible to have a salutary effect.

In so far as the general public is concerned, the provisions of the Indian Penal Code and the Prevention of Corruption Act deal with the bribe giver. It has to be noted here that by a recent amendment bribe-giving has been made a cognizable offence.

## CHAPTER IV

### CONCLUSIONS

From the material at our disposal we are convinced that while corruption and malpractices have undoubtedly existed in the past also, these evils have now become more wide in extent, more open in form, and have steadily pervaded almost all sections of our society. A stage has, therefore, now reached when immediate and effective steps are called for to check this evil in the interests of good administration and welfare of the people.

This sad state of affairs, in our opinion, is basically due to a progressive fall in the moral standards of our people in all walks of life. In fact, corruption and malpractices are more and more looked upon as an act of skill rather than a despicable canker that they are.

Every privilege carried with it a corresponding responsibility. It would appear as if this fundamental principle is being overlooked by individuals, governmental and semi-governmental agencies and other organisations alike. Growing demand for rights and privileges without corresponding obligations and duties a love for material gains at any cost, and the unfortunate tendency to place self before society, are already threatening to shatter the very foundations of a healthy social order.

Furthermore, the drain of wealth from the country for years in the past, the lack of encouragement to industries, the growth of population, the continued rise in the cost of living and the increase in unemployment, have all contributed to a change in the outlook of the people.

With the advent of World War II, boom in trade and easy money from war contracts and blackmarketing activities produced a 'get-rich-quick' mentality, resulting in greed for wealth and lowering of moral standards in all strata of our society. World War II and its reactions.

War efforts necessitated quick expansion in administrative machinery, on the one hand, and, encroachment on individual liberty, on the other. Individual liberty was so curbed by numerous laws, rules and regulations that these provided opportunities for corruption and malpractices in many spheres of life.

Creation of a large number of new departments and increased volume of work in existing departments resulted in indiscriminate recruitment. Anxiety to make war effort a success—at times even at the cost of efficiency and integrity—resulted, in several instances, in bringing in young and inexperienced officials to fill places of responsibility.

Again, various bonds, loans and funds were raised from time to time, and official agencies were utilised for their collections to ensure prompt response. This, at times, even amounted to coercion and provided opportunities for abuse. And abuse in this respect was either not easily detectable or was conveniently connived at.

This practice of utilising officers, their wives and other relatives for collection of all types of funds has since continued; and, in our opinion, is an important factor in the spread of corruption and malpractices.

**Pre-and  
Post-  
Police  
Action  
Period.**

The disturbed conditions immediately before and after Police Action further aggravated the situation, largely as an inherent evil accompanying sudden political upheavals. Immediately before Police Action the change-over of power from the hands of the old feudal group to those of a completely irresponsible and strongly communal group contributed to widespread favouritism, communalism, lawlessness and corruption.

With Police Action, when officers were imported on a large scale from outside, a sort of dual administration was created. They had little sympathy for people or knowledge of local administrative structure, its routine and other conditions, and were, above all, very often imbued with the mentality generally attributed to officials when deputed from "British India" to "Native States", which made confusion worse confounded. Further, by virtue of having been thus brought in, they enjoyed the privilege of being outside the purview of disciplinary control of local administration, and, quite a number did not fail to take advantage of this either. In many instances, as is not uncommon in such exigencies, the imported personnel happened not to have been particularly picked and chosen, with the result that corruption and malpractices were indulged in more widely and more openly.

Further, the displacement of experienced senior officials before and after Police Action on grounds other than those of efficiency and integrity, and the recruitment in their place of officers not sufficiently trained to shoulder big responsibilities facilitated the spread of the evil.

Even the advent of popular Government has not been able to stem the spread of this evil yet. In fact, the situation has in some respects worsened because of—

Popular Government and Political Parties.

(i) frequent interference in the day-to-day administration by members of various political parties and other organisations; and,

(ii) lack of appreciation of the fact that policy-making in a democratic set-up and its execution are two separate functions, and, that the latter must rest with the permanent services alone.

These, amongst other factors, have, howsoever, unwittingly, created in the services a sense of insecurity and frustration, and a desire to shirk and shift responsibility, resulting in delay in disposal of official work and lack of vigilant supervision at all levels. This in its turn has contributed to inefficiency and concomitant increase in corruption and malpractices.

Delay in disposal of routine work or in taking effective action on decisions,—in fact, delay of any kind,—in our view, apart from leading to inefficiency, has been directly responsible for increase in corruption and malpractices. Delay in disposal of routine work is the result of lack of precise division of functions and vigilant supervision at all levels. Often delay has been wanton. Delay in dealing with cases of corruption at any stage only helps to encourage the evil. We feel that causes of delay in actual practice, whether wanton or otherwise, and wherever discovered, must be removed. To a large extent delays in disposal of routine work could be reduced and efficiency enhanced by effective tours and surprise visits to subordinate offices. We note, however, with regret that tours in several instances have of late tended to become more a source of additional income or an outing. At times, especially in the case of consecutive tours of Ministers, there is considerable dislocation of work in subordinate offices. Similarly heavy 'sarbarahi' expenses sometimes have led to corrupt practices. While tours and surprise visits at all levels are essential, they must be planned so as not to dislocate routine work, and be purposeful and effective.

The various departmental rules made from time to time have in practice tended to defeat their own objects by their being too general or too elaborate to be practicable and effective.

Further, in connection with war effort a tendency had grown in some quarters to centralise control of executive authority. This was further accentuated during the immediate post-Police Action period, and has, to some extent, continued since. In practice a precise division of functions and responsibilities as between the Ministers and the services, on the one hand, and as between the different levels of the services on the other, seems to be disappearing. This has resulted in an increasing tendency to shirk responsibility, a slackening of necessary vigilant supervision and consequent delay. These again, in our view, have been responsible for the continued spread of corruption and malpractices.

#### Malpractices

It is an established administrative convention and a fundamental principle of ethics that opinions and decisions of responsible officers and predecessors in office are duly respected. Somehow this time-honoured convention has, in several instances, been overlooked with the result that it has tended to give an impression of favouritism, besides militating against discipline. We have noted cases, where clearly adverse verdict of superior authority has been overlooked, and the concerned official has even been pushed to a more responsible post. In another case, when punishment has been meted out by concerned authority to two officials involved in two similar cases, one was able to get himself exonerated with the change of incumbent in authority, while the representations of the other have been pending for months! In some cases decision of the Government has not been taken for quite a long time after the Tribunal of Inquiry had sent up its recommendations. Similarly, in some cases of promotions and postings, disregard of basic technical qualifications and seniority seems to have been evident.

The services have, therefore, very often begun to feel that they stand to gain more by influence than by honest discharge of duty. This has created in them a sense of diffidence, discontent and despair, leading to inefficiency and indiscipline, ultimately resulting in the spread of corruption and malpractices. Nevertheless, we are convinced that we have a large element of honest, loyal dutiful and capable people in our services; and, if their minds could only be set at ease by duly appreciating and recognising their services, by unhesitatingly



punishing the inefficient and the dishonest, and by discouraging favouritism, nepotism, communalism and other malpractices. corruption could be largely controlled.

While the services are primarily to blame for continuance of corruption and malpractices, the public is in no manner less responsible for their spread and continuance. The public, in general, has not yet fully realized that corruption is a canker which eats into the very vitals of a nation, and that it has destroyed the independence of many countries and enslaved many a people. In fact, it is a crime against society and the country. It is the duty of the public, particularly in a democratic set-up, to assist in every way in the smooth and honest working of the country's administration. **Responsibility.**

Instances are not wanting where large sums of money have been used to tempt officials, or lavish 'socials' organised to gain undue influence for achieving personal ends. It is common knowledge how a section of the public resort to "greasing the palms", even when there is no wanton delay or anything underhand, just to get their interests through quickly without having the patience to take their own turn. Another class of people has recently cropped up, who, by virtue of their party affiliations and influence, leave no opportunity of making the most of these for personal or party gains.

In short, there are many facets to the problem ; and, unless all are tackled simultaneously, little improvement could be expected. We have tried in this Chapter to enumerate these and indicate their bearing on corruption and malpractices.

## CHAPTER V.

### RECOMMENDATIONS

Having dealt with the causes and extent of corruption and malpractices, we now proceed to make our recommendations for their eradication.

In our view this evil has now assumed serious proportions ; and we feel it is high time that, as a first step, the Government declared, in unequivocal terms, its firm determination to speedily root out this evil from both within and outside the services. With the advent of independence and democracy it has become equally imperative for the public, the services and the Government to strive to build a national character, on which alone can democracy flourish and a welfare State built up, as envisaged in our Constitution. To build a Welfare State, vision, honesty and efficiency in administration are essential. This can only be achieved with mutual confidence, goodwill and co-operation between the services and the people, to gain which the initiative lies primarily with the services. With the change-over to democracy our methods of governance also must change. The services must not only be prompt, impartial, honest and efficient, but also be freely accessible both to the public and the subordinates, and be responsive to changing conditions. At the same time, the public must be educated both in maintaining high standards of honesty and morality, and to learn to help the services in getting the best out of them ; and to make an intelligent difference between just representations and imaginary grievances.

We feel that, while there is no ground for despair, there is no room for complacency, either. Corruption and malpractices could eventually be eradicated by adopting certain long-term measures to improve our national character and integrity, and some short-term measures to check immediately the rapid and progressive deterioration that is evident today. Whatever measures are adopted as short-term remedies, they must be drastic and deterrent.

#### **Long-term Measures.**

We recommend the following long-term measures :—

- (1) All propaganda and educational agencies at the disposal of the Government should be harnessed to imp-

rove moral standards of our people and to lay the foundations of a high moral character in the coming generations by--

(i) inclusion of a course in ethics and civics at all stages of public education ;

(ii) provision of educational films, slides, lectures, broadcast talks, etc., to inculcate ethical and moral values and duties of citizenship ;

(iii) restriction on the exhibition of such films as are likely to influence adversely the character of the youth of the country ;

(iv) intensive use of Burrakathas, popular talks, natakas, etc., stressing ethical values, particularly in rural areas ;

(v) introduction of special courses in civics, public affairs and public administration for the benefit of the services and public workers alike ;

(vi) periodical State-wide celebration of an Anti-Corruption Week to give expression of the Government's determination to eradicate corruption and malpractices, and to invite the co-operation of the public for the purpose ; and,

(vii) establishing a convention in society not to give or accept presents and gifts at birthdays, weddings and other occasions of articles of more than a nominal value.

(2) We have pointed out elsewhere that there exist several departmental rules and regulations, which, while being impracticable and cumbersome, give room for malpractices. We recommend that Government take up the matter of revising the different administrative, departmental and other rules and regulations and codify them, so that the obsolete, impracticable and redundant ones are weeded out leaving least opportunity for delay in disposal of cases, circumvention and continuance of malpractices. Like the rules and regulations mentioned above, the existing rules of procedure be also revised with a view to avoid delay, which has been largely responsible for corruption, and, to precisely fix the duties and responsibilities of all grades of officials.

Revision of procedural rules ought to, in our opinion, be a continuous process to meet the needs and exigencies of the time. The present organisation of the Chief

Inspectorate of Government Offices, which is intended to enhance efficiency of working of different offices on more or less the same lines as the Efficiency Audit system of Mysore and Uttar Pradesh, should be strengthened and made more effective ; and its reports should receive due consideration, and prompt action taken thereon.

(3) It may be emphasized here that the Head of an office should realize that it is not enough for him to feel satisfied with the mere performance of routine work, but that it is an important part of his duty to exercise vigilant supervision over the work of his subordinates. Heads of Departments and other officers should, in their tours, see that all officials working under them discharge their duties honestly and efficiently ; and, in case of deviation, take prompt and effective action, undeterred by any considerations of departmental prestige.

(4) We would like to stress that the present system of increments, promotions to higher cadres and appointments to selection posts requires revision. We recommend that due importance be attached to integrity, impartiality and efficiency ; and, if there be any reason to doubt the integrity of an official, it should not be overlooked for want of positive proof. In this connection we fully endorse the views expressed in the following two extracts from the " Five-Year Plan " :—

(i) " As a matter of ordinary administrative practice, an official who does not have a reputation for honesty should not be placed in a position in which there is considerable need for discretion ."

(ii) " At all levels of the administration the choice of officials for posts which offer special scope for corruption must be made with great care ."

We further recommend that the Public Service Commission be invariably consulted at all stages of promotion, whether it be from one class of service to another class, or from one scale in one class to another scale in the same class.

In this connection we observe that, while on the one hand officers are sometimes compulsorily retired on the expiry of 25 years of service, on the other hand, even superannuated retired officers are re-employed from time to time, with the result that this has added to the

sense of insecurity and frustration in the services. This must be remedied to get the best out of them. We recommend, therefore, that the Public Service Commission should invariably be consulted in such retirements and re-employments.

(5) Secretariat forms the backbone of administration, more so in a party system of Government. It is solely responsible for the execution of policies framed at the level of the Ministry, so that the administration may run smoothly and efficiently. As such it becomes necessary that great care is exercised in the selection of Secretaries to Government, and, that they are kept at their posts for a reasonably sufficient period of time. We, therefore, recommend that—

(i) the choice of Secretaries to Government be left to a Board of Senior Secretaries ;

(ii) they should not be transferred normally within a period of three years ; and

(iii) a convention be established that policy-making is a function of the Ministry and that execution thereof and smooth running of the administration are the responsibility of the Secretariat and the permanent services of the State.

(6) Not much distinction is at present drawn between an official who has been consistently efficient and honest and another who merely takes things as they come. We recommend that services of officials who have been consistently honest and efficient must be given due recognition. At the same time, any dishonesty, negligence or slackness in work should be suitably punished. In fact, an official who has been repeatedly reported to be dishonest should be removed from service even though strict judicial proof of such ill-repute is not forthcoming.

In this connection we fully endorse the recommendations of the Planning Commission quoted below —

“ Heads of Departments should keep under constant review possible openings for corruption which current policies and procedures might provide and should see that individual claims or requests are dealt with to the maximum extent possible through clearly stated and well-understood rules or principles ”

“ One of the most important sources of corruption is delay in the disposal of cases. By efficient administration delays can be very greatly reduced ”.

“ Laxity on the part of Government employees is often due to the fact that good and honest work is not sufficiently recognised and rewarded and inefficiency and dishonesty are not sufficiently penalised. Devising means to encourage the honest should, therefore, be a matter of special concern to all those holding positions of responsibility in the public administration ”.

**Declara-  
tion of  
Property.**

Witnesses have attached great importance to periodical declaration of both movable and immovable properties by officials. While we agree with the views of the witnesses that periodical declaration of their properties, movable and immovable, should be insisted on, we would recommend that an effective system for verifying these statements should be devised, so that it may not remain merely a formal declaration.

We further recommend that like the declaration of movable and immovable properties, it should be incumbent upon officials to also declare if any of their relatives is engaged in any business wherein there are chances of his taking advantage of their official position.

We also recommend that officials should take an oath of integrity in the same manner as they now take an oath of loyalty.

Subordinate officials like Patels, Patwaris and others are not supplied with adequate amount of stationery and contingencies, and this gives them an excuse for corruption. We recommend that adequate provision be made in this regard.

**Economic  
Conditions-**

The economic depression of the present times, and low salaries of the lower cadre officials have been reported to be a factor in leading such officials to corruption. We recommend that, in order to place them above temptation, amenities in the shape of housing facilities, medical aid and education of children be, as far as possible, provided.

**Unemploy-  
ment.**

Before we conclude our long-term recommendations we cannot help remarking that increasing unemployment in the country has a bearing on the question of corruption

and malpractices in our social set-up ; and we would, therefore, recommend that measures to relieve unemployment should be given serious and early consideration.

While the above measures will necessarily take some time to improve things, the Commission recommends for immediate implementation :— Short-term Measures.

(1) Immediate declaration of Government's determination to eradicate corruption and malpractices wherever found—whether in the services or outside.

(2) In all cases where, on confidential preliminary departmental enquiry, a *prima facie* case is made out and referred to a Board/Public Tribunal, the further proceedings shall ordinarily be conducted, openly.

(3) In cases where sufficient amount of reputation exists that the official concerned has been indulging in corruption or malpractices, he shall not be eligible for promotions, selection for higher and more responsible posts and other service prospects ; and Government shall not hesitate to even compulsorily retire him.

(4) The services should be clearly instructed that they shall not, under any circumstances, allow any outside influences, including those of political parties, to come in the way of proper discharge of their duties ; and, an assurance should be given to them that, in such an event, they shall have the fullest protection of the Government. At the same time all political parties and public workers be warned against interference in the day-to-day administration. In this connection, the policy declared by the Government of Madras may be adopted and further a liaison organisation be created between the different political parties and the administration at both the district and the headquarter levels to bring them nearer and to enable them to understand each other better. This organisation shall, on the one hand, take such disciplinary action as may be necessary if individual members of the parties attempt to interfere in the day-to-day administration, and, on the other hand, serve as an agency through which genuine public grievances, particularly in respect of corruption and malpractices, are brought to the notice of the concerned authorities in a proper manner.

(5) Public should be encouraged to come forward with genuine complaints of corruption and malpractices

in the services. For this purpose a special agency will have to be created which should be empowered to handle such information and receive petitions direct from the public. The constitution and functions of this agency are dealt with in detail later. *Bona fide* informants should be given immunity from harassment of any kind from any quarter.

(6) The practice of collecting subscriptions to unofficial funds by officials and their close relations should be prohibited and this work taken up by purely unofficial agencies.

We have noted in detail, elsewhere, how the present machinery to deal with corruption and malpractices has not proved effective. We, therefore, recommend that, instead, a new agency with wide powers be established immediately which may not suffer from the drawbacks ordinarily attaching to a department of Government and whose decisions shall be treated as final for immediate implementation, subject to right of appeal, if any.

We, accordingly, propose the formation of a Four-man Commission initially for a period of six years.

Title and  
Purview.

1. (a) This Commission shall be called 'The Commission for the Prevention of Corruption and Malpractices' and shall only deal with cases of corruption and malpractices.

(b) It shall be an independent body and be run more or less on the same lines as the Public Service Commission ;

(c) Enquiries held by this commission shall primarily be in the nature of a "departmental enquiry".

(d) Public shall have free access to the commission.

(e) The services and the departments, in so far as the question of corruption and malpractices are concerned, shall also have the right to make direct representations to the commission.

(f) All communications from the public or the services shall be ordinarily treated as confidential, until a *prima facie* case has been established and regular enquiries started.

Personnel.

2. (a) The personnel of the proposed commission should preferably be drawn from amongst public men



and retired officials of known integrity, high calibre and mature mind.

(b) A selection committee comprising of the Chief Minister, the Chief Justice and the Chairman of the Public Service Commission to select the personnel of this commission should be appointed.

3. (a) The appointment of the members of this commission shall initially be for a period of three years. **Terms of appointment.**

(b) The emoluments of the members of this commission may be on the basis of an honorarium as opposed to a salary with sufficient provision for tours or otherwise.

4. The commission shall :—

**Functions.**

(i) receive complaints and grievances direct from the public and Government Departments ;

(ii) recommend amendments or alterations to procedural or departmental rules and regulations so far as they may serve to check corruption and malpractices ;

(iii) undertake tours from time to time to detect cases of corruption and malpractices ;

(iv) make preliminary enquiries in such cases with the assistance of the local head of the office when it concerns the subordinates of that office, and, of the next higher officer when the head of office is himself involved, keeping the Head of the Department regularly informed.

5. (a) If on preliminary enquiry a *prima facie* case has been made out, the commission shall co-opt the Head of the Department concerned and hold enquiry subject to the mandatory provisions of Section 311 of the Constitution of India. **Procedure of Enquiry.**

(b) The commission in its discretion may refer to the proper authorities any complaint which it deems proper for regular investigation and trial under the law.

(c) Preliminary enquiry may be held by one or more members of the commission or by any one to whom power is delegated by them.

(d) Enquiry shall be held by all the members of the commission or any two of them, who may, if necessary, proceed to hold the enquiry on the spot.

(e) When the enquiry has thus been completed, the case shall finally be disposed of by the commission, with the concerned Departmental Head co-opted; and for this purpose the presence of at least three members of the commission and the Departmental Head will constitute the necessary quorum.

For effective working of this commission it is obvious that necessary provision be made to ensure ready assistance of Government and its departments in the conduct of enquiries.

**Establishment.**

To assist the members of the proposed commission in their work an adequate and reliable ministerial and investigating establishment and other staff shall be provided. The personnel employed to assist the commission in its investigation and enquiry may not necessarily be drawn from the Police Department, and shall be paid adequately so that they may be above temptation.

**Legislation.**

We have indicated above the outlines of the composition, powers and functions of the proposed commission. When necessary legislation is being considered in this connection, the provisions of Section 4 of the Prevention of Corruption Act, 1947 (Central Act), dealing with 'Presumption', and the provisions of Section 5 of the Hyderabad Public Servants (Tribunal of Inquiry) Act, 1950, in so far as enforcing the attendance of the witnesses and compelling the production of documents are concerned, be incorporated therein.

The annual reports of this commission shall be placed before the Legislative Assembly.

With the establishment of this commission, the existing X-Branch and the Public Servants' Tribunal of Inquiry shall cease to exist.

### ACKNOWLEDGMENTS

We are grateful for the assistance we have had from the various witnesses, public organisations and Government Departments and the material they have unstintedly placed before us in our deliberations. We are particularly thankful to Shri Nizamuddin Ahmed whose

services were placed at our disposal as Member-Secretary of this Commission. His vast experience, up-to-date information of the working of Government Department, valuable suggestions and the efficient manner in which he managed the office, have been of immense help to the Commission.

Our thanks are also due to the Government for placing at our disposal secret files, and to the General Administration Department particularly for the full co-operation and prompt assistance given from time to time.

We are also thankful to the temporary staff working in the Commission's office for their help, particularly to the Superintendent, Shri Mir Najabet Ali Khan and to the stenographer Shri S. Parameswaran who has worked at great pressure ungrudgingly.

Sd/- K.N. WAGHRAY,  
*Member.*

Sd/- R. S. NAIK,  
*Chairman.*

Sd/- S. N. REDDY,  
*Member.*

Sd/- (Nawab) SAEED JUNG,  
*Member.*

Sd/- NIZAMUDDIN AHMED,  
*Member-Secretary.*

Sd/- PAMPAN GOWDA,  
*Member.*

*Dated 14th November, 1953.*

HYDERABAD-DN.

APPENDIX I  
GOVERNMENT OF HYDERABAD  
HOME DEPARTMENT  
NOTIFICATION

No. SPL/XB/25/53.

Dated 12th June, 1953.

In exercise of the powers conferred by section 3 of the Commissions of Inquiry Act, 1952 (Act No. LX of 1952), the Rajpramukh is pleased to appoint a Commission consisting of the following members, to examine the extent of corruption and malpractices prevailing in the Services in the State and to make proposals for effectively putting down such corruption and malpractices ;—

- |  |                           |
|--|---------------------------|
| (1) Shri Ramchandra Naik,<br>Retired Chief Justice,<br>Hyderabad.                    | } <i>Chairman</i>         |
| (2) Nawab Saeed Jung Bahadur,<br>Retired Chief Justice,<br>Hyderabad.                | } <i>Member</i>           |
| (3) Shri Pampangowda,<br>Deputy Speaker,<br>Hyderabad Legislative Assembly.          | } <i>Member</i>           |
| (4) Lieut. Col. K. N. Waghray,<br>Retired Director,<br>Medical Department, Hyderabad | } <i>Member</i>           |
| (5) Shri S. N. Reddy,<br>Retired Commissioner of Police,<br>Hyderabad                | } <i>Member</i>           |
| (6) Shri Nizamuddin Ahmed,<br>Chief Inspector of Offices,<br>Hyderabad.              | } <i>Member-Secretary</i> |

2. All the provisions of the said Act, including those contained in sub-section (2) of section 5 but not of sub-sections (3), (4) and (5) thereof, shall apply to the Commission.

CHANDRAKANT RAO GODSAY,  
*Secretary to Government.*

**APPENDIX II**  
**HOME DEPARTMENT**

D.O. No. Spl. XB/25/53.

*Dated 12th June, 1953.*

**SUBJECT.— Anti-Corruption Commission.**

Please refer to your letter dated the 25th April, 1953. I enclose a copy of Home Department Notification No. SPL /XB/25/53 dated 12th June, 1953 appointing a Commission with you as Chairman.

Besides the terms of reference mentioned in the Notification, Government feel that the Commission should in particular ;—

- (i) examine the need for any special legislation in this behalf ;
- (ii) draft a Bill therefor, if considered necessary ;
- (iii) suggest the rules thereunder including the rules of procedure ;
- (iv) consider the question of continuance of the agency for investigation and the Tribunal now set-up to deal with such cases and suggest any alternative or modified agency, Tribunal, Court, etc. ;
- (v) consider the tightening up of rules regarding Conduct of Public Servants, the changes in the Law of Evidence, Code of Criminal Procedure, etc. ; and
- (vi) generally make such other recommendations as they may consider necessary to accomplish the object in view.

**CHANDRAKANT RAO GODSAY,**  
*Home Secretary.*

To

**SHRI RAMCHANDRA NAIK,**  
*Retired Chief Justice,*  
*Hyderabad-Dn.*

## APPENDIX III

### *Questionnaire issued by the Hyderabad State Anti-Corruption Enquiry Commission.*

1. To what extent, in your opinion, corruption and malpractices exist in the different services of the State and what are the methods adopted by persons who practice such corruption ?

(a) To your knowledge in what Departments of the State, corruption particularly prevails ?

(b) Do you speak from personal knowledge or hearsay ?

2. What classes of Government servants are particularly prone to this evil ?

3. (a) Do you consider the existing machinery of the Government in the form of a Special Anti-Corruption Branch in the C. I. D., and an Anti-Corruption Tribunal adequate to meet this evil ?

(b) What improvements, if any, would you suggest in the present machinery and what additional measures would you propose ?

4. Do you consider that the responsibility for corruption lies largely on the services or that the public is also equally responsible for its existence and continuance ? Please state the extent to which each is responsible.

5. What steps in your opinion should be taken to awaken, mobilise, and obtain the co-operation of the public to effectively combat this evil ?

6. Do you think that the existing laws (Sections 161-165 of the Indian Penal Code, the Prevention of Corruption Act, (Central) of 1947, and the Hyderabad Government Servants' Conduct Rules, are sufficient to check corruption or do you think special legislation is necessary ? If the latter, what are your suggestions ?

7. Have you any other specific suggestions to offer ?

8. Are you prepared to tender evidence before the Commission to clarify your answers if called for ?

(NOTE :—Please note that your answers to the questionnaire and statements before the Commission shall be treated as strictly confidential).

# GOVERNMENT OF HYDERABAD

## APPENDIX IV

No. Cir/2/ACEC.

Dated 2nd July, 1953.

FROM

The Member-Secretary,  
Anti-Corruption Enquiry Commission,  
Mint Compound, Hyderabad-Dn.

To

ALL HEADS OF DEPARTMENTS.

Sir,

I am directed to state that the Anti-Corruption Enquiry Commission would like to have an Arrears List of work in your office as per proforma given below. Further it would like to have details of the different cadres of service in your Department from the lowest to the highest. The Commission also desires to have information on the following points to facilitate its work :—

- (1) Having regard to the nature of work in your Department, at what stages do you consider there are loopholes for malpractices and corruption ?
- (2) What steps are taken by your Department to control such malpractices ?
- (3) Has your Department, in the past three years, had any cases of malpractices brought to notice, and if so, what action was taken and with what result ?

A very early reply is requested, since the time at the disposal of the Commission is very short.

Yours faithfully,

NIZAMUDDIN AHMED,

Member-Secretary,  
Anti-Corruption Enquiry Commission.

### Arrears List

Srl. No.	Name of Section	No. of current files at the end of 1952	No. of files instituted in 1953	Total	No. of files disposed of during 1953
1	2	3	4	5	6
Balance pending disposal	Under 3 months	Duration of Pendency			
		Under 6 months	Under 1 year	Over 1 year	

## APPENDIX V-A.

### *List of persons who replied to the Questionnaire*

1. Shri Syed Sayeed Hassan .. Hyderabad State Fire Force Commander.
2. „ S. A. Qader .. Chief Electrical Engineer.
3. „ C. Narayana .. Village Panchayat Officer, Atmapur.
4. The Secretary, Handloom Congress & Handloom Board, Nalgonda.
5. Shri E.V. Padmanabhan .. Secretary, Peoples' Grievances Committee, Hyderabad.
6. „ Pratap Reddy, Armur ..
7. „ Hanmanth Rao .. Lecturer & Landlord.
8. Dr. Nawab Nazir Yar Jung .. Retd. High Court Judge.
9. Dr. Malliah .. Secretary, Anti-Corruption Committee, Sirsilla.
10. Shri M. Madhu Arya
11. „ M. A. Akhil .. Superintendent, Public Gardens.
12. „ V. Rama Rao .. Tahsildar, Yellandu.
13. Dr. L. D. Khatri .. Director, Medical Department.
14. Shri Rai Barkat Rai .. Retd. Subedar.
15. „ E. Veeraraghavan .. Superintending Engineer, P.W.D.
16. „ Ahmed Mohiuddin Ansari .. Retd. High Court Judge.
17. „ Maqsood Jung Bahadur .. Retd. Director, Unani Department.
18. „ Prahlad Rai Goud
19. Nawab Mohd. Muneeruddin Khan Municipal Councillor.
20. Shri Syed Sumsamam .. Editor, "Sheeraz".
21. „ K. S. Shetti .. Director, Veterinary Department.
22. „ Mirza Najaf Alikhan .. Secretary to Government, Local Government Department.
23. „ A. Sundaram Pillai .. Commissioner of Police.
24. „ Raghunath Rao
25. „ Madhav Rao Goasekar .. M. L. A.
26. „ Manikchand K. Pahade .. M. L. A.
27. „ R.V. Madhusudan Rao .. Registrar, Co-operative Societies.
28. „ K. W. G. Gaye .. Rtd. Supervisor, P.W.D.
29. „ Bhooma Rao .. Superintendent of Excise, Nizamabad.
30. „ Shot K. Mondol .. Bishop.
31. „ Raghavendra Rao .. Special Officer, General Administration Department.



32. Shri P. K. Dalal .. .. Chief Marketing Officer.
33. N. Ramlal .. .. Principal, City College.
34. „ S. R. Venkatesham .. Dy. Mayor, Secunderabad Municipal Corporation.
35. „ G. L. Narayana .. President, Chikkadpalli Basti Congress Committee.
36. „ Damodar Reddy .. Secretary, Finance Department.
37. The President, Bodhan Municipality.
38. Shri Gokulchand .. .. President, Hyderabad Wholesale Cloth Merchants' Association.
39. „ H. C. Heda .. .. Member, House of the People.
40. „ G. M. Panje .. .. Deputy Secretary, Legal Department,
41. „ A. Krishnaswami Aiyangar . Collector, Warangal.
42. „ T. Sheshachari .. .. Deputy Finance Secretary.
43. „ Rai Ram Reddy .. President, District Congress Committee, Sangareddy,
44. „ Murlidhar Rao Kandelkar .. Pleader, Nizamabad,
45. Shrimati Rai Barkat Rai
46. Shri M. Ramchandra Rao .. Advocate, High Court.
47. „ K. B. George ..
48. „ Jeetlal Ramnarayan Jaiswal
49. „ Pingle Venkatrama Reddy .. Ex-Minister.
50. „ V. Jagannatham .. Municipal Councillor, Secunderabad Municipality.
51. „ Mohd. Khaja .. .. Retd. Sub-Inspector of Police, Mahboobnagar.
52. ' A Government Servant ' सयमेव जयते
53. Shri D. Ramaswamy .. M. L. A.
54. „ S. M. Kamriddin .. Collector, Bhir.
55. Major Hari Kishen Das .. Asst. Director, Medical Department.
56. Shri S.A. Salatore .. .. Director, Central Laboratories.
57. „ P. S. Reddy .. .. Deputy Commissioner, Sales Tax Department.
58. „ Syed Ali Akbar .. .. Retd. Director of Public Instruction.
59. Dr. Jeevanrao Deshpande ..
60. Shri Vishwanath Das .. .. Barrister.
61. „ B. Mallikarjun Rao .. General Secretary, N.S. Railway Employees' Union.
62. „ Vasudeo Sharma .. .. Tehsildar, Shadnagar.
63. Messrs. Hormusjee & M. Abdul Ali.. Contractors.
64. Shri Habib Nawaz Jung .. Jagirdar.
65. „ Gopalrao Sanjekar

66. Shri Bishen Singh .. .. Commandant, 1st Battalion, HSRP.
67. „ S. K. Vaishampayan .. Public Worker.
68. „ Arifuddin .. Retd. Taluqdar.
69. „ S. Pratap Reddy .. M. L. A.
70. „ D. L. Pathak .. Citizens' Grievances Redressing Association, Aurangabad.
71. „ P.V. Narasimha Rao .. General Secretary, Pradesh Congress Committee, Hyderabad.
72. „ Dinker Narayan .. Secretary, Board of Secondary Education.
73. „ Kallur Siddanna .. Merchant, Raichur.
74. „ M. Buchiah .. M. L. A.
75. „ Shivrao Shewalker .. Pleader.
76. „ Syed Asghar Hussain Razvi .. Vakil, High Court.
77. „ Rai Ramlal, I.A.S. .. Secretary to Government, P.W.D. and Medical Department.
78. „ S. Narsimham Naik ..
79. „ S.B. Badruka .. Managing Agent, Hyderabad Chemical and Pharmaceutical Works.
80. „ Vithal Rao .. Collector, Osmanabad.
81. „ K. Somayajulu .. President, Vazir Sultan Tobacco Co., Workers' Union.
82. „ M. D. Chaturvedi
83. Nawab Liaqat Jung .. Ex-Minister,
84. Shri Mohd. Sultan Mohiuddin Soofi,
85. „ E. V. Ram Reddy .. Collector, Adilabad.
86. The Executive Officer, Osmania Graduates Association.
87. Shri Shambhu Dayal Sharma .. President, Aurangabad Congress Committee.
88. Shrimati S. Shanta
89. Shri Shanker Deo .. Minister for Social Service.
90. „ Ram Lingam
91. „ P. Lakshmi Narayan .. President, Government Central Press Employees' Union.
92. „ Aziz Behari .. Tahsildar, Manjlegaon.
93. „ F.D. Battiwala .. Tahsildar, Deglur.
94. „ Govindrao Gekwad .. M. L. A.
95. „ Sadashivappa D. Akki
96. „ Shrinivas Rao Ekheliker .. M. L. A.
97. „ G. Sriramulu .. M. L. A.
98. „ R. Ananda
99. „ V. Lakshma Reddy .. Retd. High Court Judge.

100. Secretary, The Gazetted Officers' Association, Hyderabad
101. Shri Ghouse Baig .. .. Ex-Inspector, C.I.D.
102. „ Mir Vizarat Ali Khan .. Superintendent, R.T.D.
103. „ G. K. Gangakhedkar .. Tahsildar, Billoli.
104. Raja Narsing Raj Bahadur .. Ex-Deputy Director of Postal Department.
105. Shri B. Narsing Rao .. Tahsildar, Warangal.
106. „ Mir Zaffar Ali .. Tahsildar, Khandar.
107. „ N. T. Mukhid, Nanded.
108. „ Hanmanth Rao .. Retd. Dy. Asst., Commissioner of Excise.
109. The Commissioner of Excise Hyderabad.
110. }  
 111. } Names not disclosed at the request of the persons concerned.  
 112. }



## APPENDIX V--B.

### LIST OF WITNESSES

1. Shri E. V. Padmanabhan .. Public Worker and Businessman.
2. „ Narasimhachary .. Deputy Inspector General of Police, C.I.D.
3. „ Ganeshlal Sharma ..
4. „ D. Hanumanth Rao .. Lecturer and Landlord.
5. „ Rai Barkat Rai .. Retd. Subedar.
6. Dr. Nawab Nazir Yar Jung Bahadur Retd. Judge, High Court.
7. Shri K. W. G. Gaye .. Retd. Supervisor, P. W. D.
8. Dr. L. D. Khatri .. Director of Medical & Health Services.
9. Shri S. A. Qadar .. Chief Electrical Engineer.
10. „ N. Ramlal .. Principal, City College.
11. „ Ahmed Mohiuddin Ansari .. Retd. High Court Judge.
12. „ E. Veeraraghavan .. Superintending Engineer, M. I. P. Circle, P. W. D.
13. „ J. C. Hardikar .. Chief Engineer, P. W. D.
14. „ A. S. Ansari .. Businessman.
15. „ D. D. Italia .. Member, Council of States and Businessman.
16. „ Madapati Hanumanth Rao .. Mayor, Hyderabad Municipality.
17. „ Madhavrao Anvari .. Journalist & Public Worker.
18. „ Kalyanmal .. Merchant.
19. „ Prof. Kishen Chand .. Member, Council of States.
20. „ Y. Satyanarayana .. P. W. D. Contractor.
21. „ V. K. Dhage .. Member, Council of States.
22. „ Pingle Venkatarama Reddy .. Ex-Minister.
23. „ Harischandra Heda .. Member, House of the people.
24. „ H. M. Yusuf .. Businessman.
25. „ J. A. Pinto .. Chairman, Public Servants Tribunal of Inquiry.
26. „ D. V. Rao .. Chief Engineer, P. W. D.
27. „ Laxminivas Ganerwal .. Merchant.
28. „ T. Sheshachari .. Deputy Secretary, Finance Dept.
29. „ M. S. Sitarma Rao .. Retd. Chief Engineer, P. W. D.
30. „ M. Ramchander Rao .. Advocate.
31. „ J. H. Subbiah .. Member, Council of States.

32.	Shri Osman Subhani	.. Member, Council of States.
33.	„ Syed Ali Akbar	.. Retd. Director of Public Instruction.
34.	„ P. S. Reddy	.. Deputy Commissioner, Sales Tax Dept.
35.	„ Asghar Hussain	.. Director, Printing Press.
36.	„ Ekbal Chand	.. Director, Commerce & Industries Dept.
37.	„ R. G. Deshpande	
38.	„ S. K. Pappu	
39.	„ Rajaram	
40.	„ Rang Rao	.. Vakil
41.	„ M. Buchiah	.. M. L. A.
42.	„ Ghousuddin	.. Businessman.
43.	„ Rai Ram Lal	.. Secretary, P. W. D. & Medical Dept.
44.	„ Gopalrao Ekbote	.. M. L. A., and Pleader.
45.	„ Govinddas Mehta	.. Pleader and President, Hyderabad Bar Association.
46.	„ Kallur Siddanna	.. Merchant.
47.	„ P. V. Narsimha Rao	
48.	„ Patny	.. Businessman.
49.	„ Mirza Najaf Ali Khan	.. Secretary, Local Govt. Department.
50.	„ S. Narsimham Naik	..
51.	„ Shrinivasrao Ekhelikar	.. M. L. A., Lawyer.
52.	„ Abbas Hyder Kazmi	.. Rep. Osmania Graduates' Association.
53.	„ Manikchand K. Pahade	.. M. L. A.
54.	„ B. N. Gupta	.. Journalist & Commercial Tourist.
55.	„ Sreeramulu	.. M. L. A.
56.	„ P. G. Kale	.. Businessman.
57.	„ P. K. Dalal	.. Chief Marketing Officer.
58.	„ Shankerji	.. Deputy Commissioner, Sales Tax Dept.
59.	„ M. G. Gadgil	.. Retd. Asst. Chief Engineer.
60.	„ Syed Ali Raza	.. Retd. Chief Engineer.
61.	„ G. Ramachar	.. M. L. A.
62.	„ Bhagwanrao Gopalrao	.. M. L. A.
63.	„ Ankushrao Venkatrao	.. M. L. A.
64.	„ Gopi Ganga Reddy	.. M. L. A.
65.	„ Abdul Wahid	.. Ex. Govt. Official.

66. Shri Kazi Dawar Hussain .. Secretary, Hyderabad Chamber of Commerce.
67. „ S. V. Naik .. Representative, do
68. „ M. Kondal Reddy .. M. L. A.
69. „ A. Guruva Reddy .. M. L. A.
70. „ A. R. Gavane .. M. L. A.
71. }
72. } Names not disclosed at the request of the witnesses.
73. }



## APPENDIX VI

*Translation of Farman issued by H. E. H. the Nizam, for eradication of corruption, in 1342 H. (1923 A.D.)*

“The disease of bribery and corruption is spreading in various departments and its contagion has reached the districts of the State. I want that this evil which casts a slur on the good name of Hyderabad be eradicated from every department, whether Judicial or Administrative”.

